

big corporations have everything paid for. They have all of the employer regular, in the order that most companies do, payments, but they also allow in these plans to have most of the deductibles also paid for. They are very good plans. This bill will excise for those plans \$149 billion, cut it right out and have an excise tax on those good plans, \$149 billion. That starts in 2013. That is 1 year before the bill takes effect.

In 2013, 1 year before there is any new plan put forward, those who have very good coverage—whether it be someone who works for a big company or whether it is a union member—will start getting a 40-percent tax on that benefit. So all of the things that have been negotiated are going to have a big 40-percent tax. That starts in 2013.

In addition, in 2013, 1 year before the bill takes effect, there is a limitation put on itemized deductions for medical expenses. Today, if you spend more than 7.5 percent of your income on medical expenses, you get to deduct everything over that. So if you have a catastrophic accident or you have a very expensive disease to treat or you are in a clinical trial—something that is expensive—if you go above 7.5 percent of your income, you can deduct that. In 2013, under the bill that is before us, you would have to spend 10 percent of your income before you could deduct those expenses. That is another \$15 billion that will be collected in taxes that are not collected today.

The new Medicare payroll tax, which impacts individuals who earn over \$200,000 or couples who earn \$125,000 each, would take effect in 2013. That is \$54 billion in taxes.

These are all the taxes that take effect before the bill does, before there is any plan offered. You would have the tax that starts next month on insurance companies, pharmaceutical companies, and medical device companies. Then, in 2013, you would have a tax on high-benefit plans, a 40-percent tax on that plan. Then, in 2013, the itemized deductions will not be allowed until you have paid 10 percent of your salary in medical expenses. Then there is the Medicare payroll tax, which is going to impact individuals. All of this is before there is a program in place.

In 2014, when the bill does come forward so there are plans to be offered to people, then you start the mandates on employers and the taxes if people are not covered. So you have \$28 billion in taxes on employers that start in 2014. These are the employers who cannot afford to give health care to their employees or they do not give the right kind of health care to their employees, so it is not the right percentage, and if it is not the right percentage, then the employer pays a fee of \$750 to \$3,000 per employee. That is their fine.

Then there is the tax on individuals who do not have health insurance, and that is \$750 per adult.

My colleague from South Dakota and I will certainly want to spend more

time talking about this and hope very much that our colleagues will also. I do not think this is what the American people thought they would be getting in health care reform. Of course, what we would hope the American people would get in health care reform would be lower cost options that do not require a big government plan. They would not require big taxes. They would not require big fees. If we had a lowering of the cost, by allowing small businesses to have bigger risk pools, that would not cost anything. It would allow bigger risk pools that would provide lower premiums and employers would be able to offer more to their employees.

Most employers want to offer health care to their employees. It is just a matter of the expense. The bill we are debating now is going to put more expenses and burdens on employers, at the time when we are asking them to hire more people to get us out of this recession.

Everywhere I go in Texas, when I am on an airplane, when I am in a store, a grocery store—I have not been able to do any Christmas shopping, I must admit, so I have not been in a department store, but nevertheless I do go to the grocery store—everyone who I am talking to is saying: I can't afford this. What are you all doing? And I am saying, of course: Well, we are trying to stop this because we agree with you that small businesspeople cannot afford this.

I was a small businessperson. I know how hard it is because we do not have the margins of big business, and it is very hard to make ends meet when you have all the mandates and the taxes, and when you are trying to increase your business and hire people, which is what we want them to do. You cannot do it if you are burdened with more and more expenses, as this bill will do.

What Senator THUNE and I are doing is making a motion to commit this bill back with instructions, to come back with the changes that will assure that when the implementation of this bill starts, that will trigger whatever programs are in the bill at the same time as whatever taxes and fees are going to be in this bill.

I would hope there would be fewer taxes and fees. But whatever your view is on that issue, it is a matter of simple fairness that you would not start the taxes before you start the implementation of the program. It would be like saying: I want to buy a house, and the realtor says: Well, fine, you can start paying for the house right now, and in 4 years you will be able to move in. The house might be stricken by lightning. It might fall apart. It might blow up. It might have a fire. And that is exactly what could happen in this bill.

This bill may not make it for 4 years, when people see what is in it. There will be elections, and I cannot imagine we would establish a policy of taxing people for 4 years, raising costs, leading down this path that will eventually

go to a public plan that will end up doing what was originally introduced in the bill; and that is, to end up with one public plan. It will take a little longer the way the bill is being reconfigured, but it is going to end up in the same place, unless we can stop it by showing people that the mandates and the taxes are not good for our economy and they are not good for the health care system we know in this country.

We have choices in this country. We have the ability to decide who our doctor is and what insurance coverage we want, whether we want a high deductible or a low deductible. That is not a choice that should be taxed. We should not have someone tell us what procedures we can have. We should have the option of deciding that for ourselves with our doctors. That is what we want in health care reform. But that is not what is in the bill before us.

I hope we can discuss the Hutchison-Thune motion to commit. We are going to work to try to make sure everyone knows we want fairness in this bill and that people know what is in it. I hope we will get whatever the new version of the bill is very soon so we will have a chance to see if maybe there are some changes that are being made. But in the bill before us, the taxes start next month, and the bill is implemented in 2014. On its face, that is fundamentally unfair. I hope our motion is adopted so we can change it.

Mr. President, I yield the floor.

Mr. KOHL. Mr. President, today I would like to talk about health care costs. We began this endeavor to fix our broken health care system a year ago for two reasons: to move toward universal coverage, and to reduce the unacceptably high cost of health care that is threatening to ruin our country.

It is vital that in our quest to cut costs, we do not leave money on the table that could be going back into the pockets of the American people. This process is not over and while we still have time, we need to more strongly address the rising costs of prescription drugs. The cost of brand-name drugs rose nine percent last year. That is an unprecedented, unacceptable hike. In contrast, the cost of generic drugs fell by nearly nine percent over the same time period.

For years, we have tried to make it easier for Americans to have access to affordable drugs. We have worked to ease the backlog of generic drug applications at the FDA. We support comparative effectiveness studies and academic detailing to diminish the influence of brand-name drug manufacturers. And we must continue to break down the barriers to help generic drug companies get their products on the market.

Therefore it is imperative that we pass legislation to fight the backroom deals between brand name drug companies and generic drug companies that keep generics off the market and out of reach for consumers. The Kohl-Grassley amendment to stop what we call